

**TOURISM EXPENDITURE REVIEW COMMITTEE  
MEETING MINUTES  
October 12, 2004  
Room 2E21 of the S.C. Department of Revenue  
10:30 a.m.**

**ATTENDANCE:**

**Committee Members in Attendance:** Frans Mustert, Chairman, John Curry, Susan Cruse, Toni Nance, Mark Williams

**Staff in Attendance:** Damita Jeter, TERC Staff.

**Guests in Attendance:** None

**CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:**

- **Minutes:** The Committee motioned to approve the September 27, 2004 meeting minutes as submitted.
- **Travel Vouchers:** The Committee submitted their travel vouchers to Mrs. Jeter and she disbursed checks to applicable Committee members.
- **Atax Packets:** Mrs. Jeter reminded the Committee that Atax packets had been mailed and many of the forms had been completed and sent in already. The Committee asked Mrs. Jeter about the possibility of completing the forms online. She said she would check with the state CIOs office that manages our website. The Committee further decided that after November 1, Mrs. Jeter would send a letter to all who have not yet submitted their report telling them that they are subject to a fine should they not send it in. She then distributed completed reports to the appropriate committee members.
- **Update on Withholdings:** Mrs. Jeter shared with the Committee a list of entities which had funds withheld for inappropriate expenditures on their FY 02-03 reporting forms.
- **Team List for Reviewing Forms:** Mrs. Jeter distributed to the Committee the list of “teams” and the forms they needed to review this year. Frans is now partnered with Lanneau until a new Committee member can take his place.

**REVIEWED BY SUSAN CRUSE/DAVID WARREN:**

- **City of Simpsonville:** The Committee had previously determined that the City of Simpsonville had funded the South Greenville Fair at an exorbitant amount based on the tourism impact. The Committee had asked for additional information, and upon receipt, found that the amount funded from ataxes were actually \$11,111.02, not \$20,000 as originally thought. However, the City of Simpsonville could not provide information as to how the money was spent. After discussion, a motion was made and approved unanimously that the Committee request the State Treasurer’s Office to withhold funds in the amount of \$11,111.02 based on the fact that the City could not provide documentation for this expenditure.
- **Oconee County:** The County’s local atax chair submitted a question to the Committee about using A-Tax funds to fund construction of a museum. She stated that this is a new museum

that has no tourism data. After some discussion, the Committee felt that it could not at this time make a determination because of the lack of sufficient information and/or documentation. In the past, the committee has allowed such funding depending on the circumstances and if the committee felt that the specific museum would indeed be able to attract tourism and not primarily serve a local function. The committee voted to draft a letter to Oconee County advising them to follow the statute and have the application reviewed by the local advisory committee and apply Section 6-4-25 of the S.C. Code of Laws in the approval process. The museum must be able to attract and serve tourism for it to be a permissible use of A-tax funds.

The committee wishes to re-affirm their position that it would like to encourage questions from municipalities and counties prior to funding any “questionable” expenditures with A-Tax funds. It was suggested that Mrs. Jeter emphasize this position in future newsletters.

#### **REVIEWED BY SUSIE SURKAMER/ROD SWAIM:**

- **City of Folly Beach:** The City sent the Committee information regarding its 30% monies and the fact that it wants to divert its monies from the Charleston CVB to a newly-formed organization that the City formed for the purpose of “ongoing tourism promotion.” It said it did not feel as though it were getting the proper impact from the Charleston CVB. After some discussion, the Committee decided to advise the City of Folly Beach that it was its opinion that they could divert the 30% monies as long as they adhered to Section 6-4-10 (3) of the S.C. Code of Laws.

#### **OTHER BUSINESS:**

**Vacancies on TERC Committee:** The Committee members discussed the Governor appointing a member to the seat vacated by Steven Stewart, who was appointed at the recommendation of the S.C. Association of Counties. Additionally, members discussed a proper candidate for the Governors At-Large position, which he has yet to appoint. The Committee discussed needing someone from the upstate area on the Committee and Mr. Williams suggest, Ms. Donna Kazia. The Committee said they would discuss it further and suggest a person for the Governor’s appointment. Finally, the Committee discussed the lack of participation and availability by David Warren. It decided that Mrs. Jeter would draft a letter to the S.C. Travel and Tourism Coalition telling them of his non participation. Mrs. Cruse would also address the issue with the Coalition’s representative.

**Committee Notebooks:** Mrs. Jeter addressed the issue of the Committee notebooks and their continual growth. She stated that by the end of the year, the notebooks would be too large to be practical. It was decided that she would maintain a “master notebook” with past reports and letters and use this year’s notebook simply for current expenditure reporting forms. The notebooks would include law, minutes, etc.

**The next TERC meeting will be held Tuesday, November 16 at 9:30 a.m., at the S.C. Department of Revenue. There being no other business, the Committee adjourned.**

**Respectfully Submitted,**

*Damita S. Jeter*

**Damita S. Jeter, TERC Staff**